

REPORT

WASHINGTON ECONOMIC  
DEVELOPMENT FOUNDATION, INC.  
Bogalusa, Louisiana

COMPILED FINANCIAL STATEMENTS

For the Year Ended  
December 31, 2012

*Minda B. Raybourn*

*Certified Public Accountant  
Limited Liability Company*

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WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.  
Bogalusa, Louisiana

Financial Statements  
As of and for the Year Ended December 31, 2012

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*Certified Public Accountant*

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MEMBER  
A.I.C.P.A.

MEMBER  
L.C.P.A.

**ACCOUNTANT'S COMPILATION REPORT**


To the Board of Washington  
Economic Development Foundation, Inc.  
Bogalusa, Louisiana

I have compiled the accompanying statement of financial position of the Washington Economic Development Foundation, Inc. (a nonprofit corporation) as of December 31, 2012 and the related statements of activities and cash flows, for the year then ended, and the accompanying supplementary information contained in Schedules 1 and 2, which is presented only for supplementary analysis purposes. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

I am not independent with respect to Washington Economic Development Foundation, Inc.

  
Minda B. Raybourn CPA/LLC  
May 27, 2013

## FINANCIAL STATEMENTS

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2012

**ASSETS**

Current Assets:	
Cash and Cash Equivalents	\$ 368,743
Accounts Receivable	26,070
Prepaid Insurance	<u>5,073</u>
Total Current Assets	399,886
Capital Assets (Net of Accumulated Depreciation)	53,643
Total Assets	<u>\$ 453,529</u>

**LIABILITIES**

Current Liabilities:	
Accounts payable	\$ 3,458
Total Current Liabilities	<u>3,458</u>

**NET ASSETS**

Investment in capital assets	53,643
Unrestricted	<u>396,428</u>
Total Net Assets	<u>450,071</u>
Total Liabilities and Net Assets	<u>\$ 453,529</u>

See accountant's report and accompanying notes to financial statements

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2012

**INCREASES IN UNRESTRICTED NET ASSETS**

Program revenues:	
Membership dues	\$ 14,930
Sale of Property	45,426
Business/economic development fee	34,200
FAEDF reimbursements	33,607
Rent income	450
Art grant	1,653
State appropriation act 19	9,958
Other program revenue	162
Interest income	179
Total Increases in Unrestricted Net Assets	<u>140,565</u>

**DECREASES IN UNRESTRICTED NET ASSETS**

Program services:	
Economic development	80,670
Support services:	
General administrative	11,979
Fund raising	2,795
State appropriations	24,490
Art Grant Expenditures	1,731
Total Expenses	<u>121,665</u>

**CHANGE IN NET ASSETS** 18,900

**NET ASSETS AS OF BEGINNING OF YEAR** 431,171

**NET ASSETS AS OF END OF YEAR** \$ 450,071

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.  
STATEMENT OF CASH FLOWS  
Increase (Decrease) in Cash and Cash Equivalents  
For the Year Ended December 31, 2012

**Reconciliation of Change in Net Assets to Net**

**Cash Provided by Operations:**

Change in net assets	\$ (26,706)
Depreciation	3,528
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(14,409)
(Increase) decrease in prepaid insurance	583
Increase (decrease) in account payables	658
Net cash provided by operations	<u>\$ (36,346)</u>

See accountant's report and accompanying notes to financial statements

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.  
STATEMENT OF CASH FLOWS  
Increase (Decrease) in Cash and Cash Equivalents  
For the Year Ended December 31, 2012

**Reconciliation of Change in Net Assets to Net**

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See accountant's report and accompanying notes to financial statements



## WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

## SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended December 31, 2012

Item of Expense	Program Service		Support Services			State Appropriations	Art Grant	Total Expenses
	Industrial Dev.	General Adm.	Fund Raising	General Adm.	Fund Raising			
Accounting	2,494	333				499		3,325
Advertising	375	50				75		500
Annual Meeting	147	-				-		147
Art Camp	-					-	1,731	1,731
Automobile Expense	2,314	309				463		3,085
Building Repairs	113	15				23		150
Conferences, conventions, and meetings	889	119				178		1,185
Depreciation	2,646	353				529		3,528
Dues and Subscriptions	606	81				121		808
Employee Benefits	5,816	895			268	1,968		8,947
Insurance	5,072	780			234	1,717		7,803
Legal Fees	49	7				10		65
Office Supplies	1,859	248				372		2,478
Payroll Taxes	3,530	543			163	1,195		5,431
Salaries	46,146	7,099			2,130	15,619		70,994
Telephone	3,170	423				634		4,226
Travel and Entertainment	1,447	193				289		1,929
Utilities	3,131	417				626		4,175
Yard Maintenance	869	116				174		1,158
Totals	80,670	11,979			2,795	24,490	1,731	121,665

See accountant's report

## NOTES TO FINANCIAL STATEMENTS

**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

The Washington Economic Development Foundation, Inc. (The Foundation) was organized as a nonprofit corporation on May 6, 1981, under the laws of the State of Louisiana. The Foundation's purpose is to promote economic development in Washington Parish through an intensive program to relocate or establish manufacturing and service firms in the parish in order to create a significant number of new job opportunities. The Foundation's primary support is derived from a "co-operative endeavor agreement" with the City of Bogalusa (note 4), and dues paid by individuals and members of the business community.

The Foundation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

**Public Support and Revenue**

Annual membership dues are generally available for unrestricted use during the current year. Dues are recorded as revenue in the membership year pledged and any unpaid dues at year-end are recorded as receivables, at their net realizable value. There is no allowance for bad debts due to a history of having all dues paid on a current basis.

Grants are recorded as revenue when the corresponding reimbursable expenditures have been incurred.

Contributions of donated non-cash assets and services are recorded at their fair values in the period received.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting. Under this basis, revenues and related assets are recognized when earned, and expenses are recognized when the obligation is incurred.

**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FINANCIAL STATEMENT PRESENTATION**

The Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: (1)unrestricted, (2)temporarily restricted, and (3)permanently restricted. In addition, the Foundation is required to present a Statement of Cash Flows. As of December 31, 2012, the Foundation has not received any permanently restricted contributions. The Foundation has discontinued its use of fund accounting and, accordingly, has reclassified its financial statements to present the two classes of net assets contained in their financial records.

**Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates that affect certain reported amounts and disclosures. Therefore, actual results could differ from those estimates.

**Property and Equipment**

The Foundation capitalizes all expenditures for equipment with a useful life in excess of one year regardless of value. Property and equipment are recorded at cost or at estimated fair value at date of gift, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	31.5 yrs
Improvements	10-30 yrs
Furniture & Fixtures	7-10 yrs
Office Equipment	4-5yrs

**Cash and Cash Equivalents**

The Foundation considers all highly liquid investments, with a maturity of three months or less, when purchased, to be cash equivalents.

**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments**

Investments, are stated at fair value, and consist solely of Certificates of Deposit at Capital One Bank (local Washington Parish financial institution). The Certificates have varying dates of maturity from 6 to 50 months.

**NOTE 2: CASH AND CASH EQUIVALENTS**

At December 31, 2012 the Foundation has unrestricted cash and cash equivalents (book balances) totaling \$368,742 in demand deposits at Capital One Bank. These deposits consist of checking account totaling \$58,808 and Tower (Capital) saving account totaling \$309,934 .

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2012, the Foundation's deposits (collected bank balances) totaled \$370,144. These deposits were secured from risk by \$250,000 of federal deposit insurance, and pledged securities in the amount of \$191,182. The pledged securities are registered in the name of the fiscal agent bank and are held by the Federal Reserve Bank of New Orleans, Louisiana. Because the pledged security is not registered in the Foundation's name, the deposits are considered un-collateralized (category 3) under the provisions of GASB Statement Number 3.

**NOTE 3: ACCOUNTS RECEIVABLE**

At December 31, 2012, the Foundation's accounts receivable consisted of the following:

1) Accounts Receivable-FAEDF (Franklinton Area Economic Development Foundation agreed to share in the cost of a director. This receivable represents one month's billing.)	\$2,470
2) Due from Members for 2012 dues	6,500
3) Due from the City of Bogalusa	17,100
Total Accounts Receivable	<u>\$26,070</u>

**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2012**

**NOTE 4: PROPERTY, EQUIPMENT, AND IMPROVEMENTS**

Property, equipment, and improvements consist of the following:

	January 1, 2012	Additions	Deduction	December 31, 2012
Buildings	\$ 58,500			\$ 58,500
Bldg. Improvement	65,829		(4,625)	61,204
Office fixtures & Equip.	14,753			14,753
Other	11,222		(44,600)	(33,378)
Land	32,500		(10,000)	22,500
Total assets	182,804	-	(59,225)	\$ 123,579
Less Accumulated				
Depreciation	(99,892)	(3,528)	33,484	(69,936)
Net Capital Assets	<u>82,912</u>	<u>(3,528)</u>	<u>(25,741)</u>	<u>\$ 53,643</u>

All fixed assets are stated at historical cost. Depreciation is computed on a straight-line basis for financial statement purposes. The Foundation sold properties on 737 and 739 Avenue F.

**NOTE 5: TEMPORARILY RESTRICTED NET ASSETS**

There are no temporarily restricted net assets at December 31, 2012.

**NOTE 6: BUSINESS/ECONOMIC DEVELOPMENT FEE**

The Foundation entered into a "cooperative endeavor agreement" with the City of Bogalusa, under the Louisiana Constitution of 1974 Section 14©. The Foundation proposed to perform certain functions to the benefit of the City, its residents, and residents surrounding Bogalusa. These functions, which have a governmental purpose, would ordinarily be performed by the City. They include:

- A. Business/Economic Development
- B. Assisting the City in administering the Bogalusa Industrial Park
- C. Advising the City on uses of the Industrial Park
- D. Arranging for presentations and meetings with Industrial Park Prospects and advising the City on said prospects.

The City and Foundation mutually agreed to reduce the fee from \$38,000 to \$34,200 in 2004. The contract became effective on January 1, 1997. It automatically renews each year unless a notice of termination is presented by either party 10 days prior to the beginning of each calendar year. No notice was received or given by the Foundation 10 days before January 1, 2012.

**WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2012**

**NOTE 7: SALE OF PROPERTIES**

The Foundation sold properties during 2012. The properties located on 737 and 739 Avenue F were sold for \$40,000. The property on 537 Kentucky was sold for \$31,168.

**NOTE 8: INTERGOVERNMENTAL AGREEMENT**

The Washington Economic Development Foundation, Inc (WEDF) entered into a cooperative endeavor with the Franklinton Area Economic Development Foundation, Inc, (FAEDF) to share the expenses of the Director. The current Director for WEDF will work at the FAEDF office two days per week or as needed. WEDF will invoice FAEDF monthly, for one half of the director's salary and benefits effective November 1, 2004. The estimated annual cost reimbursement will be approximately \$30,000.

**NOTE 9: DONATED SERVICES**

The Foundation receives donated services from a variety of unpaid volunteers assisting the Foundation in the pursuit of economic development programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SAFS No. 116 have not been satisfied.

**NOTE 10: LITIGATION AND CLAIMS**

As of December 31, 2012, the Foundation did not have any lawsuit or pending litigation.

**NOTE 11: LEASES**

The Foundation does not have any items under a capital or operating lease at December 31, 2012.

## Supplemental information



Schedule 2

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

For the year ended December 31, 2012

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The Foundation's Executive Board, consist of four members, elected from the general membership each year at the annual meeting, plus the immediate past president.

Board members were not paid any compensation for the year ended December 31, 2011, and no compensation is planned for future years.

See accountant's report